



BRENDEL W. DEEMER, CPA  
bwdeemer@bellsouth.net

LOUISIANA COMMUNITY DEVELOPERS, INC.

Accountant's Review and Attestation Report  
With Financial Statements and Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

Deemer CPA and Consulting Services, LLC

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-15-06

**Louisiana Community Developers, Inc.**  
**Table of Contents**

---

	<b>Page</b>
Accountant's Review Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to the Financial Statements	5-6
Schedule of Functional Expenses	7
Attestation Questionnaire	8-9
Attestation Report	10-13

**Accountant's Review Report**

**To the Board of Directors of Louisiana Community Developers, Inc.:**

I have reviewed the accompanying statement of financial position of Louisiana Community Developers, Inc. (a non-profit corporation, herein referred to as LCD, Inc.) as of June 30, 2005, and the related statement of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of LCD, Inc.

A review consists principally of inquiries of LCD, Inc.'s personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

*Deemer CPA and Consulting Services, LLC*  
Deemer CPA and Consulting Services, LLC  
New Orleans, Louisiana  
December 15, 2005

**Louisiana Community Developers, Inc.**  
**Statement of Financial Position**  
**As of June 30, 2005**

<b><u>Assets</u></b>	
Grant Receivable	61,124
<b><u>Fixed Assets</u></b>	
Computers	3,000
Equipment	22,814
Accumulated Depreciation	<u>(15,010)</u>
<b>Total Fixed Assets (Net)</b>	10,804
<b>Total Assets</b>	<b><u>\$ 71,928</u></b>
<b><u>Liabilities and Net Assets</u></b>	
Accrued Expenses and Payroll Liabilities	<u>15,064</u>
<b>Total Liabilities</b>	15,064
<b><u>Net Assets</u></b>	
Temporarily Restricted	<u>56,864</u>
<b>Total Net Assets</b>	56,864
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 71,928</u></b>

The accompanying notes are an integral part of these financial statements.

**Louisiana Community Developers, Inc.**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2005**

**Revenues, Gains, and Other Support**

Grant funds	\$ 234,328
<b>Total Revenues, Gains, and Other Support</b>	<b>234,328</b>

**Program Services**

TANF	<u>164,642</u>
<b>Total Program Expense</b>	<b>164,642</b>

**Support Services**

<b>General and Administrative</b>	<u>56,492</u>
<b>Total Expenses</b>	<b>221,134</b>
<b>Change in Net Assets</b>	<u>13,194</u>
<b>Net Assets At Beginning Of Year</b>	<u>43,670</u>
<b>Net Assets At End Of Year</b>	<u><u>\$ 56,864</u></u>

The accompanying notes are an integral part of these financial statements.

**Louisiana Community Developers, Inc.**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2005**

**Cash Flows From Operating Activities:**

Changes in Net Assets	\$ 13,194
Adjustments to Reconcile Net Revenues over Expenditures to Net Cash Provided by Operating Activities	
Depreciation Expense	5,563
Changes in Operating Assets and Liabilities	
Grant Receivable	(30,402)
Payroll Liabilities	<u>7,017</u>
Net Cash Provided by Operating Activities	(4,628)

**Cash Flows From Investing Activities:**

Purchase/Sale of Fixed Assets	<u>-</u>
Net Cash Provided by Investing Activities	-

**Cash Flows From Financing Activities:**

Net Cash Provided by Financing Activities	-
Net Cash Increase for Period	(4,628)
Cash, At Beginning of Period July 1, 2005	<u>4,628</u>
Cash, At End of Period June 30, 2005	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

**Louisiana Community Developers, Inc.**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2005**

**1. Summary of Significant Accounting Principles**

**General** - Louisiana Community Developers (LCD) is a non-profit agency with a mission to provide students with educational, tutorial, and cultural activities as well as computer readiness. LCD was established in 2001 and serves as a support system to public, private, and parochial schools located throughout New Orleans, LA. The agency is committed to assisting local educational institutions in increasing overall academic performance for the program participants.

Louisiana Community Developers, Inc.'s main source of funding is grants from the Louisiana State Department of Education.

**Basis of Accounting** - Louisiana Community Developers Inc.'s financial statements are prepared on the accrual basis of accounting, whereby revenue is recorded when earned and expenses are recorded when incurred.

**Property and Equipment** - The straight line method of depreciation is used for the assets owned by Louisiana Community Developers, Inc. The estimated useful lives of these assets range from 3 to 40 years.

**Income Taxes** - Louisiana Community Developers, Inc. has been given an advanced ruling of tax exempt status under Section 501 (c) 3 of the Internal Revenue Code until June 30, 2006.

**Cash** - Cash is comprised of cash on hand and in banks.

**2. Restrictions on Net Assets**

Restrictions placed on net assets are related to the funds received by Louisiana Community Developers, Inc. from federal grant awards. These restrictions are released as grant rules and regulations are met by the organization.

### **3. Property and Equipment**

Property and Equipment consisted of the following at June 30, 2005:

Computers	\$ 3,000
Equipment	<u>22,814</u>
<b>Total</b>	<b>25,814</b>
Less: Accumulated Depreciation	<u>( 15,010)</u>
<b>Total Property and Equipment</b>	<b><u>\$ 10,804</u></b>

### **4. Economic Dependency**

Louisiana Community Developers, Inc. is a non profit agency which relies totally upon its ability to generate grant funds from various state and local entities. The agency's ability to continue servicing the community is dependent upon the grant funds received by this organization.

### **5. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

### **6. Grant Receivable**

The grant receivable in the amount of \$ 62,124 as of June 30, 2005, consists of outstanding reimbursement requests made to the State Department of Education related to the TANF grant award.

### **7. Subsequent Event**

A natural disaster occurred in the City of New Orleans on August 29, 2005 which substantially impacted the operations of this agency. It also damaged certain property and equipment purchased by the agency for use in its program. The amount of damages sustained and future impact on agency operations is indeterminable as of the date of this report.



**Louisiana Community Developers, Inc.**  
**Schedule of Functional Expenses**  
**For the Fiscal Year Ended June 30, 2005**

**TANF**

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Total Expenses</u>
Payroll Expenses	\$ 122,252	\$ 38,594	\$ 160,846
Fringe Benefits	-	12,335	12,335
Contractual Services	12,000	-	12,000
Telephone	2,780	-	2,780
Supplies	15,272	-	15,272
Repairs & Maintenance	5,491	-	5,491
Food Supplies	585	-	585
Depreciation	-	5,563	5,563
Rent Expense	5,933	-	5,933
Miscellaneous	329	-	329
	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenses	<u>\$ 164,642</u>	<u>\$ 56,492</u>	<u>\$ 221,134</u>

The accompanying notes are an integral part of these financial statements.

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Entities)**

December 1, 2005

\_\_\_\_\_  
Deemer CPA and Consulting Services, LLC  
\_\_\_\_\_  
4335 Werner Drive  
\_\_\_\_\_  
New Orleans, Louisiana 70126  
\_\_\_\_\_  
(Auditors)

In connection with your review of our financial statements as of June 30, 2005 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 1, 2005.

**Federal, State, and Local Awards**

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes [☒] No [ ]

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes [☒] No [ ]

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [☒] No [ ]

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [☒] No [ ]

### Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes [☒] No [ ]

### Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [☒] No [ ]

### Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [☒] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

Cindy West Secretary

12/14/05 Date

Darryl Cook Treasurer

12/14/05 Date

Darryl Cook President

12/14/05 Date

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Management of Louisiana Community Developers, Inc. (LCD, Inc.)

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of LCD, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about LCD's compliance with certain laws and regulations during the year ended June 30, 2005 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

***Federal, State, and Local Awards***

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

LCD's award expenditures for all programs for the fiscal year follow:

Grant Name	Grant Year	CFDA No.	Amount
<u>TANF – Federal</u>	2004	93..558	221,134
Total Expenditures			221,134

2. For each Federal, state, and local award, we randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.
3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the six disbursements from each grant were properly coded to the correct fund and general ledger account.

Each of the six disbursements were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the six disbursements from each grant received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the executive director.

6. For the items selected in procedure 2: For federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements in the Compliance Supplement and for the state award, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed. There were no exceptions noted in reviewing the expenditures for activities allowed or unallowed.

Eligibility

We reviewed the previously listed disbursements for eligibility requirements. There were no exceptions noted in reviewing the expenditures for eligibility, all agreed to previously budgeted line items.

## **Reporting**

We reviewed the previously listed disbursements for reporting requirements. There were no exceptions noted in reviewing the expenditures for reporting. The items selected were traced to reimbursement requests without exception.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

The program at this agency was not closed during the period under review.

## **Meetings**

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

LCD, Inc. is only required to post a notice of each meeting and the accompanying agenda on the door of their office building. Management asserts that such documents were properly posted, however, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

## **Comprehensive Budget**

9. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

LCD, Inc. provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

## **Prior Comments and Recommendations**

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

In the audit engagement performed for the year ended June 30, 2004, there was one finding whereby a variance in budget to actual amounts existed relative to a health insurance policy. The finding was resolved by a request made to the funding agency which approved the expenditure.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Louisiana Community Developers, Inc. the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures the Legislative Auditor as a public document.

*Deemer CPA and Consulting Services, LLC*

Deemer CPA and Consulting Services, LLC

December 15, 2005